

# THE TRANSPORTATION LINK



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From the Desk of  
the OSDBU

Subcontracting provides significant opportunities for small, disadvantaged, veteran, HUBZone and women-owned businesses seeking to do work in the Federal marketplace. For a small business, subcontracting can provide the opportunity to break into the Federal government arena and develop an excellent past performance record. In this edition, we have highlighted some important information about subcontracting that you may find useful in competing for future projects.

To increase the number of Federal contracts being awarded to HUBZone Businesses, the Small Business Administration (SBA) has launched the "Contracting Officer's HUBZone Gateway" – an online portal that can be used by contracting officers to instantly identify certified HUBZone businesses.

SBA has also received a generous software donation from Microsoft that will be used in their Business Information Centers, One-Stop-Capital-Shops, Women's Business Center and Tribal Business Information Centers to help entrepreneurs start their small business or help their existing business grow. Please take the time to read about both, it will only help your small business become more competitive!

Architectural Signs and Graphics, Incorporated is our Success Story this month. Read how Nancy Swartz – President and CEO, has taken advantage of numerous subcontracting opportunities to expand her business and open up a world of possibilities.

Lastly, we would like to remind you to update and maintain your company's PRO-Net profile at least every 18 months to maximize your firm's visibility.

## Subcontracting on Department of Transportation Opportunities

As a small business, subcontracting can open a world of possibilities! Subcontracting can present small businesses with opportunities that might otherwise be unattainable because of limited resources, staffing, capital, experience, etc... It also allows small businesses to get their foot in the door by bidding on, and participating in, contracts that they cannot competitively pursue on their own.

Subcontracting has been determined to be an area where small and disadvantaged businesses can substantially impact the Federal procurement preference programs. Federal prime contractors award billions of subcontracting dollars annually. Legislative mandates place great emphasis on this program area. Any federal contractor receiving a contract for more than the simplified acquisition threshold must agree in the contract that small businesses (including veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned businesses) concerned, will have the maximum practicable opportunity to participate in contract performance consistent with its efficient performance. Furthermore, large prime contractors receiving a Federal contract exceeding \$500,000 (\$1 million in the case of construction), and which offers subcontracting opportunities, must establish subcontracting plans with goals that provide maximum opportunities to these small businesses.

DOT's office of Small and Disadvantaged Business Utilization (OSDBU), works closely with the Small Business Administration (SBA) and its Procurement Center Representative (PCR) to coordinate policy direction and develop new initiatives on subcontracting issues. More than 50% of our subcontracting opportunities are awarded to small business.

To maintain a strong subcontracting program, OSDBU, in conjunction with the SBA/PCR evaluate, review, and make recommendations on subcontracting plans. OSDBU also helps large prime contractors in identifying potential small businesses (including veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned businesses) to assist in subcontracting goal attainment.



**OSDBU**

Office of Small  
and Disadvantaged  
Business Utilization

wants to hear from you! Call us toll-free at 1 800 532-1169 with questions or comments about this newsletter or our web site. The Transportation Link's content may be reprinted without permission.

There are several steps you can take to become more actively involved in subcontracting.

### USE THE INTERNET

The Department of Transportation (DOT) *Subcontracting Directory* is posted on the DOT OSDBU web site at: <http://osdbuweb.dot.gov/business/procurement/subcont.html>. You also can research information on prime contractors and subcontracting opportunities through a variety of other sources on the Internet.

The Small Business Administration (SBA) has a Subcontracting Network web site called *Sub-Net* located at <http://web.sba.gov/subnet/> that is used by prime contractors to post subcontracting opportunities. These opportunities are often reserved for small business and they may include either solicitations or other notices – for example, notices of sources sought for teaming partners and subcontractors on future contracts. The site is designed primarily as a place for large businesses to post solicitations and notices. On Sub-Net you can search for opportunities by SIC code, NAICS code, generic description or solicitation number.

SBA also has a *Subcontracting Opportunities Directory* located at <http://www.sba.gov/GC/sbsd.html>, which is an older version of Sub-Net. The *Subcontracting Opportunities Directory* lists, by state, primes with a subcontracting plan.

SBA's Commercial Market Representatives (CMRs) counsel small businesses on marketing the commercial sector for subcontracts. You can find contact information on the CMR in your region at <http://www.sba.gov/GC/cmr.html>

### REGISTER IN PRO-NET

Prime contractors as well as contracting officers use the SBA database, *PRO-Net*, located at <http://pro-net.sba.gov/> to find potential small businesses (including veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned). Be sure that you are registered in *PRO-Net* to provide yourself with

greater visibility. It is very important that you update your information at least every 18 months, because most searches of the *PRO-Net* database automatically screen out any businesses that have not updated their information within that time period.

### MARKETING PRIMES

An effective multi-faceted marketing plan for small businesses involves a strategy to market to the government for prime contracts, to prime contractors for subcontracting, and in the commercial sector. The following are "tips" to market for subcontracts:

#### 1. Network

It is important to meet and speak with other primes and subcontractors to learn from their experiences and evaluate potential teaming opportunities. Develop a network of potential firms that you can call on to work together on DOT opportunities.

For example, if you are an IT firm that has expertise in security issues and a prime is bidding on a network opportunity that has some critical security issues, you want to develop a relationship where you can come together to bid as a highly competitive team. Or, if you don't have any DOT experience, you might want to get to know firms that have contacts within DOT and expertise on transportation issues.

Active membership in a Chamber of Commerce and trade associations, as well as attendance at procurement conferences and seminars, will help you meet representatives of companies that might be a good match for you, or help you meet people who might refer you to another firm that is a good match for you.

#### 2. Get involved in the early stages of a procurement

Keep your "eyes open" for procurements that are within your area of expertise. Once one of these procurements has been publicized as full and open competition, determine whether there is a potential for subcontracting opportunities. If a subcontracting plan is required, try to determine who the potential bidders are. Contact the firm(s)

to see if they are planning to bid on the procurement and ask if a subcontracting arrangement can be formed. You want to get your name in the subcontracting plan when a proposal is submitted to an agency. To increase your chances of obtaining subcontracting opportunities, a subcontracting arrangement can be established with more than one potential bidder for the same requirement.

#### 3. Protect Yourself

In some situations, when entering into subcontracting discussions, it can be important to protect your proprietary information. You might want to establish either a Memorandum of Understanding, Non-Disclosure Agreement and/or a signed contractual agreement with the prime.

It is important to protect yourself and check the past performance, references, and certifications of a potential partner before you enter into a legal agreement with them.

#### 4. Stress any Federal or state certifications that you may have

As described at the beginning of this article, large prime contractors receiving a Federal contract exceeding \$500,000 (\$1 million in the case of construction), and which offers subcontracting opportunities for small businesses (including veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned businesses) must establish contracting plans that provide maximum opportunities to these small businesses. They get credit for working with you if you have special certifications.

#### 5. Be creative!

When two or more firms feel they can come together as a highly competitive team, there are times when you can work creatively to determine who will be the prime, who will be the sub, and how the effort will be divided.

### FINAL CONSIDERATIONS

Once you discover a subcontracting opportunity, it is important to carefully evaluate whether it is an opportunity that you would

benefit from. Assess your capabilities. Assess the capabilities of the prime. What do you each of you bring to the table? What is your cost to enter the arena? Will partnering with this firm aid in your success and add to the development of a quality past performance record for you? These are all questions that must be asked when determining whether or not to pursue a professional relationship with any firm.

Also, keep in mind what a prime is expecting from a subcontractor. They want someone who will bring solutions to the table. As a subcontractor you must emphasize what you can do to assist the prime in accomplishing the requirements of the contract and how you can contribute to the prime's overall success. Do some research on the prime to qualify them as a potential marketing prospect. Read their mission statement. Ask yourself, "Can I share this firm's corporate vision?" If you find yourself answering "yes" to this, you must be willing to take that vision and make it your own for the life of the contract while working with the prime contractor towards a common goal.

*For more information on subcontracting at DOT, contact Brenda L. Preston by phone at (800) 532-1169 x66397 or by e-mail at Brenda.Preston@ost.dot.gov*

## Update Your PRO-Net Profile!!

Updating your company's PRO-Net profile is an important action for small business to take to maintain corporate visibility in the Federal marketplace because PRO-Net is the primary venue that contracting officers and prime contractors use to find small businesses.

The Department of Transportation (DOT) and the Small Business Administration (SBA) have a Memorandum of Understanding (MOU) to promote PRO-Net as the primary small business database that they use. DOT strongly urges all small businesses to register with PRO-Net if they haven't done so already.

Once you have initially registered with PRO-Net, maintaining your company's profile is very important. When a contracting officer, prime contractor, or any user of the PRO-Net database does a small business search, the system does not automatically provide business profiles that have not been updated within the last 18 months.

What does this mean for you, the small business owner? To take full advantage of the exposure that PRO-Net can provide, you need to update your profile routinely!

## Transition from Commerce Business Daily (CBD) to Federal Business Opportunities (FedBizOpps)

An interim Federal Acquisition Regulation states that FedBizOpps (formerly the Electronic Posting System, EPS) has been designated as the single source for Federal government procurement opportunities that exceed \$25,000. This interim rule gives Federal agencies until October 1, 2001 to complete their transition to, or integration with, FedBizOpps. After October 1, it is anticipated that all agencies must use FedBizOpps to provide the public access to notice of procurement actions over \$25,000. To give the public a period to adjust to the change, notices will be posted on FedBizOpps and published in the Commerce Business Daily from October 1, 2001 to January 1, 2002.

**After January 1, 2002, contracting officers can stop posting notices in the Commerce Business Daily.**

By signing up to automatically receive procurement information by solicitation number, selected organizations, and product service classification, vendors can react more quickly to procurement opportunities because they are better informed. Vendors can also search procurements by solicitation number, date, procurement classification code and agency for active or archived solicitations.

*You can access the FedBizOpps web site at <http://www.fedbizopps.gov>*

## Kentucky Transportation Marketplace

The U.S. Department of Transportation (DOT), Office of Small and Disadvantaged Business Utilization (OSDBU) in partnership with the Kentucky Transportation Cabinet will host the "Kentucky Transportation Marketplace" on Thursday, September 6, 2001 at the Caesars Indiana Conference Center in Elizabeth, Indiana. Sponsors include the Transit Area of River City, the Regional Airport Authority, the Greater Louisville Convention and Visitors Bureau, and Caesars Indiana.

The Kentucky Transportation Marketplace is designed to inform and educate small business owners, including minority and women entrepreneurs, on procurement opportunities with Federal, state, and local government entities. In addition, prime contractors will share information concerning available business opportunities in the private sector. Workshops will be offered throughout the day.

*For further information, please contact Carla Coolman at the DOT OSDBU by phone at 800-532-1169 ext. 69886 or by email at [carla.coolman@ost.dot.gov](mailto:carla.coolman@ost.dot.gov) or Edward Atchley with the Kentucky Transportation Cabinet by phone at 800-928-3079 or by email at [eatchley@mail.kytc.state.ky.us](mailto:eatchley@mail.kytc.state.ky.us). You can register online on the OSDBU web site at <http://osdbuweb.dot.gov> or on the Kentucky Transportation Cabinet web site at <http://www.kytc.state.ky.us>*

## “Signs, Signs, Everywhere SIGNS!”

### *Architectural Signs and Graphics, Inc.*

Growing up as a military dependent or “Navy brat” as she likes to refer to herself, Nancy Swartz has lived in many different places, attended many different schools and worked in many different corporate cultures. This, she believes, has given her the courage and experience to become a successful entrepreneur.

A 1969 graduate of The Ohio State University, Swartz also holds a Masters of Business Administration (MBA) that she says has helped her land many quality positions throughout the years. “Women just did not regularly pursue degrees in Business Administration at that time,” says Swartz. Early jobs in pharmaceutical sales and banking also helped her develop valuable skills that she would later utilize in her quest to become an entrepreneur.

Recognizing that opportunity did exist for women, Swartz started researching the possibility of becoming her own boss. Swartz had a young daughter at the time, who weighed heavily in her decision. “I wanted to run my own business and work hard at it, but I also wanted to be home for my daughter during the evenings and on the weekends.” That’s when she came across a small, vinyl sign shop for sale – one she dubbed “*Architectural Signs and Graphics, Inc.*”

It wasn’t long after the acquisition of the shop in 1989 that Swartz started to notice a need for signage



**Nancy Swartz**  
**President - ASG, Inc.**

small projects to bidding as a subcontractor on the entire signage package of large construction projects. Swartz’s sales increased dramatically!

With five employees in FY1990, Swartz reported revenues of just over \$200,000. In FY2000 with a full-time staff of nine, *Architectural Signs and Graphics* achieved a profitable \$860,000 in revenues. “I am very pleased with our progress over the years, especially since we have primarily focused on large-scale planning and specification construction contracts for the past five years!”

Swartz defines her firm as a versatile sign company. “We have the proven capability to complete large signage projects within set time and budget constraints. We also have the ability to fulfill smaller-scale requests while providing ALL of our customers with the same high quality workmanship every time!” *Architectural Signs and Graphics* offers its customers full-cycle project completion, from design and development to installation and testing.

*Architectural Signs and Graphics* has played a key subcontracting role on numerous Department of Transportation (DOT) projects, including: the San Diego Airport Terminal 2 expansion and Commuter Terminal projects, as well as, the San Francisco Airport South Parking Structure, Boarding Area ‘A’ and Employee Parking Structure projects.

During the bidding process for the San Francisco South Parking Structure project, Swartz found herself in need of short-term capital in order to fulfill the project’s operating capital requirements. That’s when she turned to DOT’s Short Term Lending Program (STLP) for assistance. “The STLP helped me stay competitive. At a time when most of our available funds were tied up in another project that hadn’t been completed yet, they lent us the necessary capital when we needed it the most,” says Swartz. “Without that access to working capital, we would have been unable to compete for, and fulfill, that contract. That’s what the STLP does. It provides small businesses with a means to compete for contracts that they know they can handle, but may not have the working capital to fund the project’s operating costs. It’s a great program!”

Swartz says that the key to her success has been staying aware of the opportunities in her area of expertise, being willing to expand her business outside of its original boundaries and to take advantage of the potential for new growth and profitability. In summary, Swartz says, “I just found a niche!”

*For more information on Architectural Signs and Graphics, Inc., please contact Nancy Swartz by phone at (858) 549-5399 or email at [nancys@cts.com](mailto:nancys@cts.com).*

*For more information on the DOT STLP visit the OSDBU web site at <http://osdbuweb.dot.gov/business/mp/mktpkg11.html> or you can contact Nancy Strine by phone at 1-800-532-1169 X65343 or by email at [Nancy.Strine@ost.dot.gov](mailto:Nancy.Strine@ost.dot.gov)*



contractors on large-scale construction projects. Through the years, Swartz and her company discovered more and more opportunities for full-cycle planning and specification work ...and they took advantage! *Architectural Signs and Graphics* grew from working on various



## ***SBA Introduces Online 'Gateway' to Increase Federal Contracts to HUBZone Businesses***

On June 15, the U.S. Small Business Administration (SBA) introduced the *Contracting Officer's HUBZone Gateway*, providing contracting officers government-wide with a means to instantly identify the names and capabilities of certified HUBZone small businesses. This Gateway is an extension of SBA's PRO-Net database.

"The Gateway comes at a time when we are stepping up our efforts to become more customer service oriented," said William Fisher, Acting Associate Deputy Administrator for Government Contracting and Business Development. "By providing Federal contracting officers and small businesses with a direct link to expand information about HUBZone businesses, we can provide another powerful marketing tool for the companies and an accessible source identification tool for Federal buyers."

### **HUBZone**

Like PRO-Net, the Gateway helps certified HUBZone businesses use the database to market their capabilities to government agencies. Contracting officers will be able to use the Gateway's powerful search engine to find certified HUBZone businesses that possess specific qualifications, are located in a specific geographical region, and are non-manufacturers that are available for contracts at or below \$25,000 – a special area of consideration for HUBZone companies.

Piggybacking on the debut of the 'Gateway' is the HUBZone program's revised online application. This new electronic application features a streamlined interface that directs applicants to a web-based guide of the actual regulations. Another key improvement allows applicants to track their application, and check its status, at anytime during the review process. SBA strongly believes that this improved application provides faster, more accurate processing of applications...leading to quicker determinations. At the same time, it simplifies and enhances the complete certification process for applicants.

To learn more about the HUBZone program, the *Contracting Officer's HUBZone Gateway*, and the revised online HUBZone application, visit the SBA web site at <http://www.sba.gov/hubzone/>

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## ***SBA Centers Offer New Software to Help Small Businesses Start or Grow***

On July 3<sup>rd</sup>, the U.S. Small Business Administration (SBA) announced that small business clients will have access to a series of new software tools at SBA locations nationwide thanks to a generous donation by the Microsoft Corporation.

Beginning in August, SBA's One-Stop Capital Shops (OSCSs), Business Information Centers (BICs), Women's Business Centers (WBCs) and Tribal Business Information Centers (TBICs) will receive \$700,000 worth of cutting-edge business software applications from Microsoft. The new software packages are the latest additions to the list of tools that SBA makes available to its small business clients.



"This donation significantly expands the resources we have available for our BICs, OSCSs, TBICs and WBCs and we are delighted to be working with Microsoft to ensure that small businesses have the opportunity to use the latest in technology," said Gail McGrath, Acting Associate Deputy Administrator for Entrepreneurial Development at SBA. "The SBA is focused on providing small businesses with the resources, training and information they need to be successful."

Included in Microsoft's donation to SBA are Office XP, Publisher version 2002, FrontPage version 2002, Windows 2000 Professional, Windows 2000 Server and Small Business Server 2000.

To find out more about the use of this software, you can contact your local SBA center listed at <http://www.sba.gov/services>.

For more information about this and all of SBA's small business programs, you can visit the SBA web site at <http://www.sba.gov> or call the SBA Answer Desk at 1-800-U-ASK-SBA.

## FAA Women-Owned Business Marketplace

The FAA Headquarters Small Business Utilization Office will host a one-day "Women-Owned Business Marketplace" on August 28<sup>th</sup>, from 9:00am – 2:30pm, at FAA Headquarters located at 800 Independence Ave, SW – Washington, DC. The event will take place in Conference Rooms 5A, B, C, the cafeteria and in the Bessie Coleman Center on the second floor.

This is an excellent opportunity designed to increase the participation of women-owned businesses in both prime and subcontracting opportunities and serve as a means for small businesses to meet procurement decision-makers within FAA! All businesses are welcome, however, only women-owned businesses will be permitted to exhibit.

For more information visit the OSDBU web site at <http://osdbuweb.dot.gov/conferences/wowmarket.html> or call Ms. Lara Kern at (888) 795-8858.

## CALENDAR OF EVENTS FOR August/September 2001

DATE	EVENT	CONTACT
August 22 - 24	US Mexico Border Summit Edinburg, Texas	(956) 381-3361 bordersummit@panam.edu <a href="http://www.border.summit.com">http://www.border.summit.com</a>
August 28	Women-Owned Business Marketplace FAA Headquarters	Lara Kern (888) 795-8858
September 5 - 7	Kentucky Transportation Marketplace Elizabeth, Indiana	Carla Coolman 800-532-1169 ext. 69886 carla.coolman@ost.dot.gov
September 23-26	DOC/MBDA National MED Week Washington, DC	<a href="http://www.medweek.gov">http://www.medweek.gov</a> 1-877-MED WEEK 1-877-633-9335 GiMarshall@mbda.gov
September 26 -29	Congressional Black Caucus Conference Washington, DC	1-800-784-2577
September 27 - 30	17th Annual US Hispanic Leadership Conference Chicago, IL	Aurora Gonzalez Yulanda Bueno 312-427-8683

**<http://osdbuweb.dot.gov>**

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